

## CREDITORS' RIGHTS IN MEMBERS' VOLUNTARY LIQUIDATIONS

### **Information you can expect to receive**

The Insolvency (England & Wales) Rules 2016 ("the Rules") and the Insolvency (Scotland) (Receivership and Winding Up) Rules 2018 require liquidators to:

- Give notice of their appointment to all known creditors within 28 days (the email/correspondence to which this is attached constitutes this formal notification); and
- Send certain notices in relation to intended dividends to creditors.

Although it is an extremely rare occurrence, the liquidator is required to notify creditors if he forms the opinion that the company will be unable to pay its debts in full (together with interest at the official rate) within the period stated in the directors' declaration.

### **Information you can request from the liquidator**

In liquidations of companies registered in England or Wales, the Rules entitle a creditor to request the liquidator to provide a statement of the number of hours he and his staff have spent and their average hourly rates. Such a request may be made at any time up to two years after the liquidator has vacated office, but the request must be in writing.

### **Other information**

On appointment, the liquidator is required to inform you that, as a licensed insolvency practitioner regulated by the Insolvency Practitioners Association, he is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

Should you wish to learn more information about insolvency processes in general, you may like to visit [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk). Please bear in mind, however, that the liquidator is administering a *solvent* liquidation, i.e. he expects to pay all creditors in full within 12 months of the date of liquidation, and therefore much of the information on this website is not relevant in these circumstances.